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dad

**ARIZONA CORPORATION COMMISSION**

May 25, 2007

Ms. Bonnie O'Connor  
Southwestern Utility Management, Inc.  
PO Box 85160  
Tucson, AZ 85754

RE: RANCHO DEL CONEJO COMMUNITY WATER CO-OP, INC. APPLICATION FOR  
A RATE INCREASE, DOCKET NO. W-02102B-07-0273

**LETTER OF INSUFFICIENCY**

Dear Ms. O'Connor:

In reference to your rate application received on May 4, 2007, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until June 9, 2007, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

Arizona Corporation Commission  
**DOCKETED**

**MAY 25 2007**

DOCKETED BY	NR
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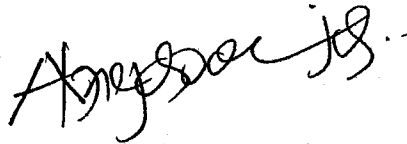
AZ CORP COMMISSION  
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The Staff person assigned to your application is Freddie Malapit. He can be reached at (602) 542-0734, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Elijah Abinah". The signature is stylized with a large initial "E" and a long horizontal stroke extending to the right.

Elijah Abinah  
Acting Chief, Financial & Regulatory Analysis Section  
Utilities Division

CC: Docket Control Center (sixteen copies)  
Lyn Farmer, Hearing Division  
Delbert Smith, Engineering  
Consumer Services  
Legal Division

The specific items that have caused a finding of insufficiency are as follows:

1. Bill Count – Bill count does not sufficiently produce test year revenues. Reconcile the amount of difference in amount billed and total metered amount using the Arizona Corporation Commission (“ACC”) present rate schedule. Additionally, please send a revised copy of the bill count and provide a copy of quarterly bill count worksheet and bill count summary. See page 26, Bill Count Instructions.
2. Advances in Aid of Construction (“AIAC”) and Contributions in Aid of Construction (“CIAC”) Schedules – They were not submitted with the application package. These items are required sufficiency items not data request items.
3. Provide a breakdown by name, position, duties, and salary (or hourly rates and hours worked) for the Outside Services expense. (Account 630)
4. Provide a copy of the preliminary engineering design report and plans of the arsenic treatment plan.

The following is not a sufficiency requirement but needs to be filed as early as possible.

1. Curtailment Tariff – There’s none on file at ACC.